

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF DELOITTE & TOUCHE LLP
FOR THE TWENTY-EIGHTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Deloitte & Touche LLP for the Twenty-Eighth Interim Period (the "Application").

BACKGROUND

1. Deloitte & Touche LLP ("Deloitte & Touche") was retained to provide risk management and crisis management planning services to the Debtors and Debtors-in-Possession. In the Application, Deloitte seeks approval of fees totaling \$401,856.00 and expenses totaling \$60,287.13 for its services from June 1, 2007 through March 31, 2008 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2008, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, Issued

January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Deloitte & Touche, and received a response from Deloitte & Touche, portions of which response are quoted herein.

DISCUSSION

General Issues

3. In our initial report, we noted that Deloitte & Touche had requested total fees of \$401,856.00. However, we calculated Deloitte & Touche's total fees at \$401,695.00, for a difference of \$161.00.¹ Thus, we asked Deloitte & Touche whether it agreed with our calculation of Deloitte & Touche's fees, and if so, whether it would agree to a fee reduction of \$161.00. Deloitte & Touche responded that it would agree to waive the \$161.00 in fees. We appreciate Deloitte & Touche's response and recommend a reduction of \$161.00 in fees.

Specific Time and Expense Entries

4. In our initial report, we noted the following hotel expenses for which more information was needed:

¹We arrived at this total by adding the fees requested in all of Deloitte & Touche's monthly fee applications, for a total of \$424,997.50, then subtracting from this amount Deloitte & Touche's voluntary fee credit of \$23,302.50, to arrive at the total of \$401,695.00.

Employee Name	Date Incurred	Expenses Incurred	Comments	City & State
Allison, Sandra K.	07/25/2007	795.40*	Traveling Exp - Hotel	Columbia, MD
Allison, Sandra K.	08/30/2007	761.60*	Traveling Exp - Hotel	Deerfield, IL
Allison, Sandra K.	09/06/2007	573.78*	Traveling Exp - Hotel	Columbia, MD
Dickie, Malcolm Alexander II	07/24/2007	590.70*	Traveling Exp - Hotel	Columbia, MD
Dickie, Malcolm Alexander II	08/30/2007	761.60*	Traveling Exp - Hotel	Deerfield, IL
Dickie, Malcolm Alexander II	09/06/2007	590.70*	Traveling Exp - Hotel	Columbia, MD
Kimbrough, Robert Lane	07/08/2007	537.00	Hotel or Other Lodging	Columbia, MD
Kimbrough, Robert Lane	07/11/2007	728.00	Hotel or Other Lodging	Cambridge, MA
Kimbrough, Robert Lane	09/10/2007	449.00	Hotel or Other Lodging	Cambridge, MA
Kimbrough, Robert Lane	09/11/2007	449.00	Hotel or Other Lodging	Cambridge, MA
Kimbrough, Robert Lane	10/01/2007	399.00	Hotel or Other Lodging	Cambridge, MA
Kimbrough, Robert Lane	11/13/2007	419.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	06/19/2007	339.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	06/20/2007	339.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	07/08/2007	358.00	Hotel or Other Lodging	Columbia, MD
Sturisky, Derrick Larry	07/12/2007	339.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	08/14/2007	339.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	08/15/2007	339.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	10/01/2007	359.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	11/12/2007	319.00	Hotel or Other Lodging	Cambridge, MA
Sturisky, Derrick Larry	11/13/2007	319.00	Hotel or Other Lodging	Cambridge, MA

In response to our inquiry, Deloitte & Touche provided additional information which we have included as Response Exhibit "A." During the period in which these charges were incurred, we

utilized a guideline of \$250 per night, plus taxes, to evaluate the reasonableness of hotel charges in most locales. Based upon this guideline, we accept Deloitte & Touche's response, except with respect to the following charges:

\$537.00 for one night in Columbia, MD	Reduce by \$287.00
\$728.00 for one night in Cambridge, MA	Reduce by \$478.00
\$449.00 for one night in Cambridge, MA	Reduce by \$199.00
\$449.00 for one night in Cambridge, MA	Reduce by \$199.00
\$399.00 for one night in Cambridge, MA	Reduce by \$149.00
\$419.00 for one night in Cambridge, MA	Reduce by \$169.00
\$339.00 for one night in Cambridge, MA	Reduce by \$89.00
\$339.00 for one night in Cambridge, MA	Reduce by \$89.00
\$358.00 for one night in Columbia, MD	Reduce by \$108.00
\$339.00 for one night in Cambridge, MA	Reduce by \$89.00
\$339.00 for one night in Cambridge, MA	Reduce by \$89.00
\$339.00 for one night in Cambridge, MA	Reduce by \$89.00
\$359.00 for one night in Cambridge, MA	Reduce by \$109.00
\$319.00 for one night in Cambridge, MA	Reduce by \$69.00
\$319.00 for one night in Cambridge, MA	Reduce by \$69.00

Thus, for all items in this paragraph, we recommend a reduction of \$2,281.00 in expenses.

5. In our initial report, we noted the following meal charges for which more information was needed:

Allison, Sandra K.	07/23/2007	100.00	Business Meals
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Allison, Sandra K.	08/27-08/31/2007	112.85	Travel Exp - Meal Expense
Dickie, Malcolm Alexander II	07/23-07/25/2007	115.40	Travel Exp - Meal Expense
Dickie, Malcolm Alexander II	08/27-08/31/2007	173.10	Travel Exp - Meal Expense
Sturisky, Derrick Larry	08/09/2007	132.36	Meals: Travel (Yours)


In response to our inquiry, Deloitte & Touche provided additional information, which information is included in Response Exhibit "A." We accept Deloitte & Touche's response and have no objection to these expenses.

CONCLUSION

6. Thus, we recommend approval of \$401,695.00 in fees (\$401,856.00 minus \$161.00) and \$58,006.13 in expenses (\$60,287.13 minus \$2,281.00) for Deloitte & Touche's services for the Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by first class mail upon the attached service list on this 15th day of September, 2008.



Warren H. Smith

SERVICE LIST

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